

ED 317 143

HE 023 363

AUTHOR Benedict, Forest C.; And Others
TITLE Survey of Compensation Practices in Higher Education.
INSTITUTION College and Univ. Personnel Association, Washington, D.C.
PUB DATE 88
NOTE 20p.
AVAILABLE FROM College and University Personnel Association, 1233 20th St., NW., Suite 503, Washington DC 20036 (\$18.00 members; \$30.00 non-members).
PUB TYPE Statistical Data (110) -- Reports - Research/Technical (143)
EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Administration; *Compensation (Remuneration); Evaluation Methods; Higher Education; Job Analysis; Job Performance; National Surveys; *Personnel Evaluation; *Salaries; *Wages

ABSTRACT

This national survey collected information on the wage and salary management practices in use in institutions of higher education. The survey questionnaire was distributed to approximately 3,000 institutions of higher education in the United States. Characteristics of the over 800 respondents are analyzed. A section on job analysis practices presents data on the existence of individual job descriptions, group classification descriptions, the frequency of routine review of job information, and the percentage of job descriptions currently accurate and up-to-date. A section on job evaluation methods discusses the use of such methods as position classification and the point system, skill factors commonly used in job evaluation, and the position or department that is responsible for job evaluation. Issues in wage and salary administration include use and sources of external salary information, frequency of use of survey data to price benchmark positions, salary comparisons to industry averages, the role of internal equity versus market rates in determining salaries, fiscal 1987-88 salary increase ranges, salary range widths, methods used to adjust individual salary rates, and the use of narrative or numeric performance appraisals. The final section analyzes considerations in determining the need for a new job evaluation system. Statistical data is presented in numerous graphs and tables. (JDD)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

ED317143

SURVEY OF COMPENSATION PRACTICES IN HIGHER EDUCATION

BEST COPY AVAILABLE

"PERMISSION TO REPRODUCE THIS
MATERIAL IN MICROFICHE ONLY
HAS BEEN GRANTED BY

CUPA

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- ☒ This document has been reproduced as received from the person or organization originating it.
- ☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

College and University Personnel Association

INTRODUCTION

The College and University Personnel Association conducted a national survey of compensation practices in the fall of 1987. This first-time effort was the result of a cooperative arrangement between CUPA's Compensation Council and the Wyatt Company. The purpose of this study was to collect information on the wage and salary management practices currently in use in institutions of higher education. The survey was initiated as a result of questions most frequently asked by CUPA members and, consequently, it was designed to be more practical than scholarly, more concerned with applications than theory.

This survey is significant because it provides the first data of its kind on the prevailing compensation practices in colleges and universities. Prior to this study there was no broad base of information on what patterns or standards exist in the area of employee compensation. This initial effort has gathered baseline information which should improve our collective understanding of current pay practices. It is planned that the survey will be updated every few years to improve the quality of the information and track changes over time.

The survey committee is grateful to the more than 800 institutions who responded. We are also appreciative of the support and assistance provided by the Wyatt Company and the computer input and analysis provided by the University of Missouri, especially Beverly Riddle and Santosh Krishna. In addition, a special note of thanks goes to Martha Provenzano at CUPA for coordinating production of the final report. Without their assistance this survey would not have been possible.

Survey Committee

Forest C. Benedict
University of Missouri
Kathleen E. Donofrio
Loyola College in Maryland
Howard Risher
The Wyatt Company
John M. Toller
University of Connecticut

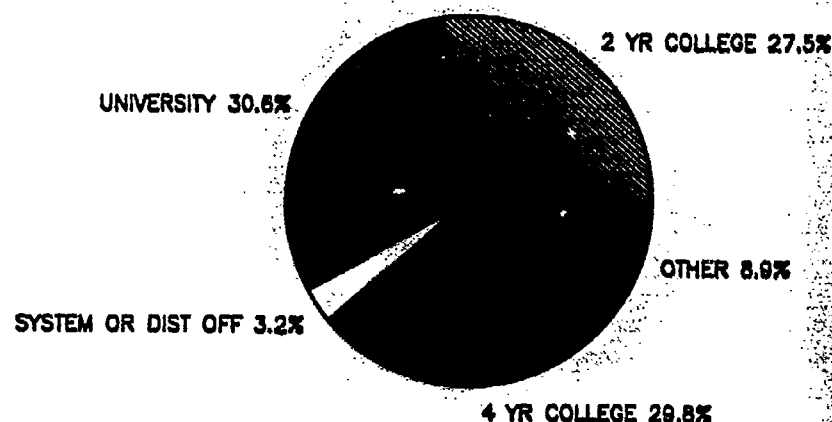
SECTION 1: PARTICIPATING ORGANIZATIONS

The survey questionnaire was distributed by the College and University Personnel Association to all institutions of higher education in the United States. Approximately 3,000 questionnaires were sent out and over 800 were returned for a response rate of 27 percent. This represents a strong response for the first survey of its type in colleges and universities.

The participating institutions represent every constituent group within higher education. Thirty percent of the responses are from universities, 30 percent are from four-year colleges and 38 percent are from two-year colleges. Fifty-six percent of responses are from public institutions, 25 percent are from private independent institutions and 19 percent are from private religious institutions. Three-fourths of the responses are from institutions that are members of CUPA. This institutional distribution is considered to be representative and is consistent with the participant profile of the more than 1,500 institutions who respond to the CUPA Administrative Compensation Survey.

The median faculty and staff size of responding organizations is 300. The total FTE student enrollment and total institutional budget data indicate that institutions of all sizes participated in the survey. However, the majority of responses were received from small to medium-sized institutions (two-thirds with FTE student population less than 5,000 and three-fourths with total operating budgets less than \$50 million.)

CLASSIFICATION OF INSTITUTIONS



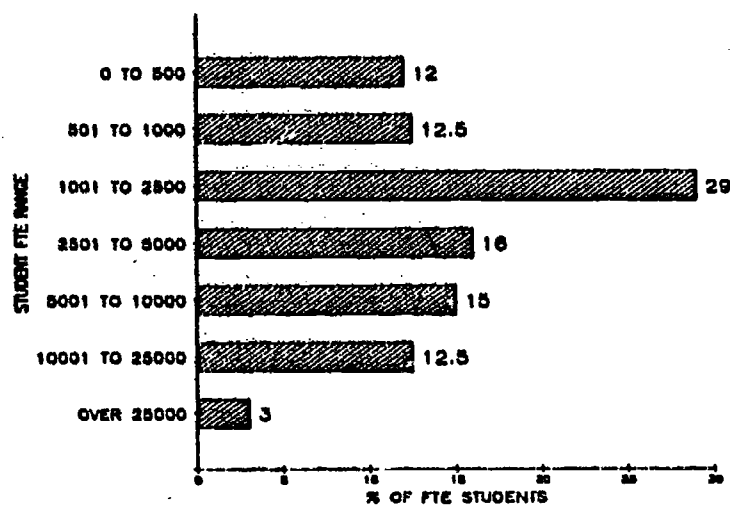
SOURCE OF SUPPORT

	Count	%
Public	445	55.8
Private, Independent	198	24.8
Private, Religious	155	19.4

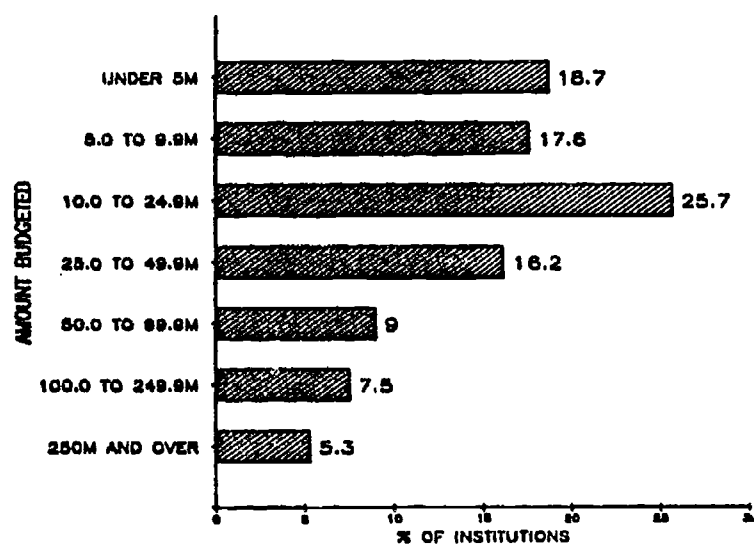
MEDIAN NUMBER OF EMPLOYEES (FTE by Occupational Categories)

Executive	Managerial	Faculty	Professional	Service	Technical	Office/Clerical	Skilled Craft	Total
5.0	30.0	122.25	23.11	36.5	10.0	64.0	8.0	298.86

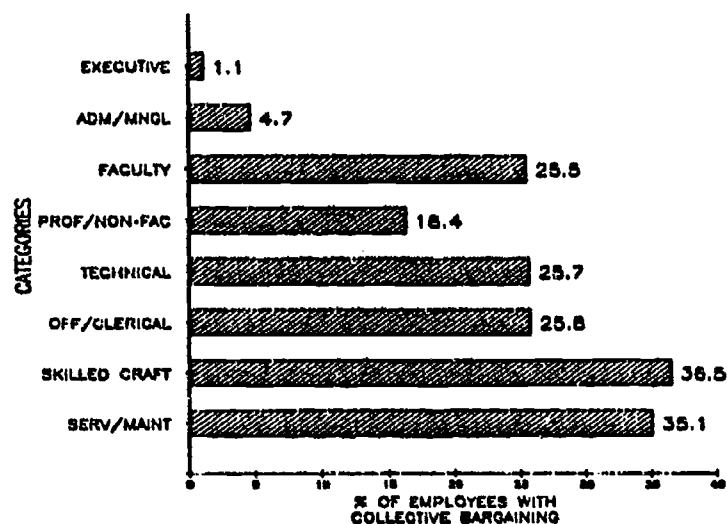
TOTAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT



TOTAL INSTITUTIONAL BUDGET, 1987-1988



COLLECTIVE BARGAINING



SECTION 2: JOB ANALYSIS PRACTICES

Individual job descriptions exist for some or all positions in most of the schools surveyed. Results range from 81 percent for executives and 88 percent for service and skilled craft workers to 94 percent for managerial, professional, technical and office/clerical workers. Interestingly, 54 percent report job descriptions for faculty positions.

On average, almost two-thirds of institutions report that they maintain accurate and up-to-date descriptions for at least three-fourths of their positions. Another 20 percent report half to three-fourths of their job descriptions are currently accurate and up-to-date. Of the remaining schools, fewer than 8 percent report no job descriptions. Routine job description reviews or audits are conducted on demand in 55 percent of the schools, annually in 25 percent and every two years or more in 20 percent of the colleges and universities reporting.

Group classification descriptions are reported for some or all jobs by half to three-fourths of the schools responding. Least likely to have group specifications are executives and most likely are non-exempts, whether technical, clerical, skilled or service. More than three-fourths of institutions report their class specifications currently accurate. Fewer than 10 percent of schools report less than half of their group class specifications accurate and up-to-date. Twenty percent of schools review group descriptions annually; 20 percent review descriptions every two or more years; and the remaining 60 percent review them on demand.

Information routinely collected on jobs is fairly consistent across occupational categories. More than 80 percent of the responding institutions collect information on title, duties and responsibilities. More than 70 percent collect information on education, experience and supervision given/received. More than 60 percent collect information on job summaries and location.

About half of the institutions collect information on interpersonal skills, working conditions and relationship to other jobs. Fewer than one-half of the schools collect information on physical skills and demands and only about 30 percent collect data on mental complexity or attention.

Nearly one-half of the responding institutions report some involvement of the incumbent in the development of job descriptions. Most either participate in interviews, complete questionnaires, write draft descriptions or review final descriptions for accuracy. Few employees, other than executives and/or managers, write or approve final descriptions.

INDIVIDUAL JOB DESCRIPTIONS

	Yes, Some Or All Jobs	No, None
Executive	80.7%	19.3%
Managerial	93.5	6.5
Faculty	54.2	45.8
Professional	93.3	6.7
Technical	93.7	6.3
Office/Clerical	93.5	6.5
Skilled Craft	87.3	12.7
Service	87.7	12.3

More than two-thirds of the responding institutions report the existence of an appeal procedure for classification decisions. Among those reporting appeal mechanisms, there is a nearly equal division between institutions with formal procedures and those with informal ones.

Job description information which is collected, reviewed and maintained is used most frequently for recruitment/selection, performance appraisal and establishing pay rates.

Over 30 percent of schools report using job information for organization design and human resources planning, while more than 20 percent use the job information for training needs analysis. Fewer than one-fourth of the institutions use job information routinely for career development/planning or health and safety purposes.

FREQUENCY OF ROUTINE AUDIT OR REVIEW OF JOB INFORMATION

	On Demand	Annually	2+ Years
Executive	60.3%	23.6%	16.1%
Managerial	57.4	26.6	16.0
Professional	55.3	26.6	18.1
Technical	53.5	25.4	21.1
Office/Clerical	51.5	28.7	19.8
Skilled Craft	52.8	26.6	20.6
Service	51.3	28.1	20.5

PERCENTAGE OF JOB DESCRIPTIONS CURRENTLY ACCURATE AND UP-TO-DATE

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
More Than 75%	59.2%	60.3%	58.6%	63.7%	63.9%	65.0%	65.2%
50-74%	10.8	20.8	22.9	23.6	21.0	19.2	17.3
Under 50%	11.4	13.5	12.6	9.0	10.3	8.8	10.0
Do Not Exist	18.6	5.5	5.8	3.7	4.8	7.0	7.5

**GROUP CLASSIFICATION
DESCRIPTION**

	Yes, Some Or All Jobs	No, None
Executive	39.4%	60.6%
Managerial	52.7	47.3
Faculty	49.7	50.3
Professional	61.6	38.4
Technical	73.1	26.9
Office/Clerical	72.6	27.4
Skilled Craft	75.5	24.5
Service	73.9	26.1

**PERCENTAGE OF GROUP/CLASS SPECIFICATIONS
ACCURATE AND UP-TO-DATE**

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
More Than 75%	45.9%	49.5%	50.2%	57.7%	58.6%	61.7%	60.7%
50-74%	6.9	12.2	16.9	19.8	18.9	18.2	16.9
Under 50%	6.9	10.2	9.5	8.8	8.5	8.4	8.8
Do Not Exist	40.3	28.0	23.3	13.8	14.0	11.7	13.6

**FREQUENCY OF ROUTINE
REVIEW OF POSITION
CLASSIFICATION STANDARDS/
SPECIFICATION/QUALIFICATIONS**

	On Demand	Annually	2+ Years
Executive	69.8%	17.8%	12.4%
Managerial	66.6	19.2	14.3
Professional	65.0	20.4	14.6
Technical	58.8	18.7	22.4
Office/Clerical	58.0	20.3	21.8
Skilled Craft	59.7	17.5	22.8
Service	59.0	19.4	21.6

TYPE OF JOB INFORMATION ROUTINELY COLLECTED

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Job Title	91.0%	91.0%	91.3%	91.6%	90.9%	92.3%	90.1%
Job Duties	75.0	85.4	86.8	91.7	92.0	91.3	89.2
Responsibilities	75.1	82.9	83.1	86.2	85.3	84.3	81.0
Education/Training	73.2	80.6	82.2	82.6	80.1	82.1	72.3
Experience Requirements	73.8	79.7	80.4	82.9	80.8	84.0	76.6
Supervision Given/ Received	62.2	74.0	76.2	79.7	78.2	77.9	73.8
Job Summary	65.6	70.9	72.7	76.4	73.3	75.1	71.9
Job Location	59.6	61.8	63.9	69.1	66.4	69.1	66.3
Interpersonal Skills	51.6	59.6	59.7	53.6	59.0	46.6	44.5
Relation To Other Jobs	44.5	50.4	52.2	52.9	52.8	51.3	48.5
Working Conditions	23.2	29.1	33.7	47.4	45.5	57.5	54.1
Physical Skills	13.9	18.7	22.8	44.8	43.0	64.7	60.2
Physical Demand	13.4	19.1	22.3	41.7	35.4	61.1	59.1
Mental Complexity	29.6	37.8	40.0	45.7	42.1	41.5	34.2
Mental Attention	19.8	25.3	27.0	32.1	31.9	32.1	27.2

INCUMBENT INVOLVEMENT IN DEVELOPING THE JOB DESCRIPTIONS

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Participates in Interview	44.6%	50.8%	52.3%	55.9%	53.9%	54.3%	54.4%
Completes Questionnaire	28.5	39.6	43.7	51.2	50.5	52.5	48.5
Writes Draft Job Description	46.8	56.2	50.3	41.3	39.5	30.6	29.5
Reviews Description for Accuracy	49.9	55.0	48.2	43.5	43.7	45.0	45.0
Writes Final Description	30.7	26.8	16.6	9.9	8.6	7.1	7.0
Reviews Description for Approval	46.4	32.5	16.8	7.9	8.0	5.5	8.1

EXISTENCE OF APPEAL PROCEDURE FOR JOB EVALUATION DECISIONS

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Informal Procedure	29.5%	36.0%	37.2%	32.1%	31.7%	31.4%	31.0%
Formal Procedure	17.1	26.9	32.0	44.6	43.7	45.2	42.2
None	53.4	37.0	30.9	23.3	24.6	23.3	26.9

ROUTINE USE OF JOB INFORMATION

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Recruitment/Selection	81.6%	86.6%	88.8%	90.5%	86.8%	88.9%	85.0%
Performance Appraisal	64.8	75.5	78.0	81.4	80.5	78.3	77.7
Establishing Pay Rates	62.7	71.9	73.9	79.9	78.9	80.3	78.4
Organization Design	46.9	47.8	42.6	38.0	35.8	33.6	34.8
Human Resources Planning	30.0	34.4	34.7	34.7	32.7	32.8	32.0
Training Needs Analysis	16.6	24.1	26.4	31.7	32.7	29.2	28.0
Career Development/ Planning	16.8	20.8	22.2	23.3	21.5	20.8	18.7
Health and Safety	15.3	14.1	15.7	24.1	18.7	29.6	28.2

SECTION 3: JOB EVALUATION METHODS

Formal job evaluation methods are used in most of the colleges and universities reporting. Ninety-five percent of institutions use formal methods for non-exempt positions while more than 80 percent use formal methods for exempt jobs.

The most prevalent evaluation method is position classification which is used by 35 percent of institutions for exempt levels and 50 percent for non-exempt levels. The second most common method is the point system which is used for both exempt and non-exempt jobs in 35 percent of reporting organizations.

Skill factors most commonly used in the evaluation of exempt jobs include education/knowledge, complexity of duties, judgment, previous experience, and problem-solving. In non-exempt jobs the most common factors are education/knowledge, complexity of duties, and previous experience.

Mental effort is more common in exempt jobs while physical effort is more frequent in non-exempt jobs. Responsibility measures most often found in exempt jobs include decision-making, supervision, public contact, and independent action. Similarly, the most common measures for non-exempt jobs are public contact, equipment used, and errors.

Stress is the most common working condition evaluated for exempt level jobs while job conditions are most often measured for non-exempt levels.

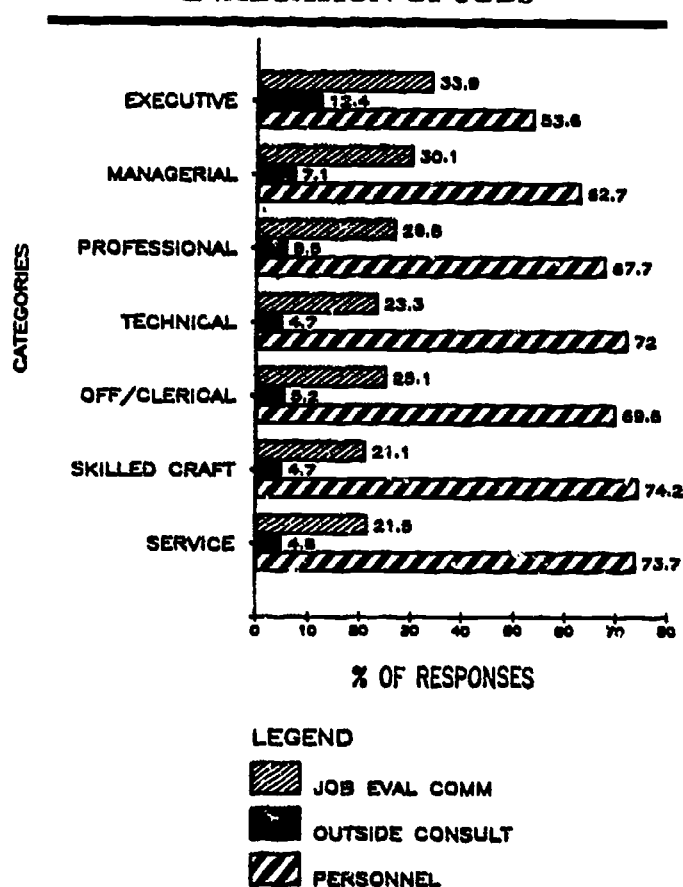
It is noteworthy that the personnel department has primary responsibility for job evaluation in 70 percent of reporting institutions. The involvement of human resources is fairly consistent across all job categories. A job evaluation committee has primary responsibility in one-fourth of the institutions and outside consultants have primary responsibility among only 5 percent of the survey respondents. Evaluation committees are typically comprised of administrators, personnel department staff and employees.

Primary responsibility for design and implementation of job evaluation methods or systems rests with internal staff in nearly one-half of the responding institutions. The remaining one-half is split evenly between outside consultants alone and joint institution-consultant efforts.

Nearly one-half of all institutions have adopted or updated their job evaluation plans since 1980. Interestingly, only one-fourth were installed prior to 1975. Survey results indicate that job evaluation has experienced renewed interest in recent years.

Seventy percent of institutions already have studied or currently are reviewing the impact of their methods on women and minorities and the remaining 30 percent plan to do so within the next two years. This, perhaps, is due to the fact that comparable worth and pay equity issues have been in the courts and press in recent years.

RESPONSIBILITY FOR EVALUATION OF JOBS



FACTORS USED TO EVALUATE JOBS IN EACH OF THE OCCUPATIONAL CATEGORIES

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Skill Factors:							
Required Education & Knowledge	94.5%	94.2%	94.2%	93.4%	89.7%	90.9%	80.9%
Complexity, Diversity of Duties	85.6	88.3	84.9	79.4	77.4	69.5	62.4
Judgement	85.3	84.1	82.2	66.9	66.5	57.1	52.5
Previous Experience	79.5	79.3	78.0	71.7	71.8	73.2	66.0
Problem Solving	77.0	75.8	66.7	53.9	45.4	40.6	31.8
Analytical Ability	75.3	73.3	66.0	56.4	38.3	31.3	24.9
Supervisory Techniques	76.7	77.9	60.9	37.7	36.0	31.8	30.4
Training Time	19.4	22.1	26.2	36.4	39.1	38.9	36.4
Manual Dexterity/ Motor Skill	5.8	6.7	9.1	42.3	45.9	65.3	62.8
Responsibility for:							
Confidential Data	72.6%	72.0%	63.1%	42.2%	63.4%	20.3%	18.0%
Public/Staff/Student Contact	83.6	91.6	90.5	76.8	89.4	61.7	63.7
Supervision of Others	91.7	96.9	83.3	62.6	58.8	57.3	49.9
Decision-Making	93.8	94.8	82.4	61.0	55.4	49.0	43.0
Effect of Errors	69.1	74.7	71.5	72.7	70.9	62.2	55.6
Independent Action	78.0	77.6	72.4	58.9	56.5	48.4	41.7
Material and Equipment	33.3	40.0	39.6	61.5	53.7	71.4	71.5
Safety of Others	46.0	47.1	38.9	36.2	25.9	50.5	52.0
Determining Policy	88.2	81.2	48.2	20.4	16.4	13.3	12.8
Financial Results	74.5	70.5	48.4	23.6	20.3	16.4	15.3
Effort:							
Mental Effort	79.8%	77.4%	77.2%	70.9%	63.4%	50.0%	40.5%
Attention to Details	61.8	62.5	62.0	70.4	75.8	54.8	46.7
Pressure of Work	64.0	59.2	53.2	44.6	45.0	28.7	26.9
Attention Span Required	28.7	24.5	25.7	29.3	32.0	24.7	20.0
Physical or Mental Fatigue	30.1	27.3	28.9	40.5	39.2	46.3	45.8
Physical Requirements/ Effort	19.5	23.1	29.2	59.5	50.4	88.5	91.6
Working Conditions:							
Job Conditions	52.8%	56.7%	59.1%	78.8%	81.4%	86.0%	84.2%
Stress	69.9	65.3	60.6	40.6	45.1	27.2	26.3
Personal Hazards	25.0	31.4	39.4	62.2	48.5	77.4	77.7
Unpleasant Surroundings	29.2	31.8	36.6	53.1	53.7	65.8	66.5
Travel	68.5	59.6	51.6	15.3	11.6	8.0	7.5

**JOB EVALUATION METHOD(S) FOR MAJORITY OF EMPLOYEES IN EACH
OCCUPATIONAL CATEGORY**

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Position Classification	27.1%	35.0%	41.5%	50.2%	49.9%	50.2%	50.9%
Point System	20.2	34.1	35.2	34.2	39.0	31.6	30.2
Factor Comparison	11.4	16.1	17.2	19.2	20.8	17.8	18.3
Ranking	18.3	15.3	13.4	11.7	12.1	10.4	11.9
Market Pricing (Only)	18.3	11.5	11.7	8.9	7.7	10.2	9.4
No Formal System	23.0	12.4	9.3	4.3	2.6	5.8	5.4

**PRIMARY RESPONSIBILITY FOR THE
DESIGN AND INSTALLATION OF THE JOB EVALUATION SYSTEM(S)**

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Designed by Internal Staff	54.0%	48.1%	47.7%	47.9%	48.4%	49.0%	52.3%
Designed by Outside Consultant	21.4	23.6	25.3	24.9	25.9	28.1	25.8
Designed Jointly	24.6	28.4	26.9	27.1	25.7	22.9	21.9

COMPOSITION OF JOB EVALUATION COMMITTEE, IF ONE IS USED

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Administrators	78.0%	79.2%	74.2%	72.1%	66.4%	68.6%	67.9%
Personnel Representatives	16.2	59.7	62.9	73.1	66.4	73.3	65.2
Employees	5	40.3	48.4	50.0	56.4	55.8	51.8
Union Representatives	3.3	2.8	10.5	16.3	16.4	19.8	17.9

TIME JOB EVALUATION SYSTEM(S) INSTALLED

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
1980-Present	57.2%	55.6%	50.2%	45.2%	47.8%	42.5%	44.5%
1975-1979	21.2	22.4	22.5	22.0	23.3	22.9	23.5
Before 1974	21.5	21.9	27.2	32.7	28.8	34.5	31.9

SECTION 4: WAGE AND SALARY ADMINISTRATION PRACTICES

Over 85 percent of the survey respondents use external salary information. More than three-fourths use external survey information to determine position in the labor market. Fewer than one-half use external salary information to determine salary grades, establish salary structures and prepare for budget discussions.

The primary source of external salary information for executive, managerial and professional positions is the CUPA Administrative Compensation Report. Institutions use a variety of survey sources for technical, office, skilled, and service positions; with nearly half of the schools conducting their own surveys. It is relatively uncommon to use outside consultants or the CUPA special studies service.

About one-half of the surveyed institutions report external salary survey information is essential or very helpful in administering the compensation program.

More than two-thirds of respondents use survey data to price benchmark positions. Typically, in about 50 percent of the cases, schools price benchmark positions at least once a year.

About one-half of the institutions reported their salaries were in line with the average of those paid in the labor market. Very few schools pay salaries that exceed the market average by more than 10 percent. At the other extreme, almost 40 percent report average salaries which trail the market by more than 10 percent.

About one-half of the respondents report internal equity plays a primary role in determining salary levels for all occupational categories except executive. Another one-third of the institutions surveyed try to balance internal equity and market rates. Market rates are the dominant factor in determining executive salaries in about 30 percent of the schools surveyed. Skilled trades is a close second at about 20 percent.

Nearly 80 percent of the respondents administer technical, office, skilled, and service positions within a salary structure. About 60 percent have a salary structure for professional and managerial positions. Only 40 percent administer executive salaries within a salary structure.

In looking at the salary range width or "spread" there is a consistent pattern. For exempt positions, the average range is 42 to 45 percent. The range spread tends to be less, 37 to 39 percent, for technical, clerical, skilled, and service employees.

In over one-half of the institutions surveyed, executive officers have primary responsibility for developing and/or adjusting salary structures. Significantly, human resource staff have primary responsibility for this function in 30 percent of the respondents. Consultants are rarely responsible for these decisions.

With few exceptions, the pattern of methods used to adjust individual salary rates is strikingly consistent. About one-half of the schools provide annual general wage adjustments. Another 40 percent of the schools provide a combination of across-the-board and merit adjustments. Predictably, length of service adjustments vary by occupational category, with about 20 percent of technical, office, skilled, and service employees receiving longevity adjustments. About 10 percent of respondents report longevity increases for executive, managerial, and professional employees. Virtually none of the surveyed institutions use the lump sum payment concept.

The range of salary increases granted in the survey year was fairly consistent across all occupational categories with only fractional differences between exempt and non-exempt groups.

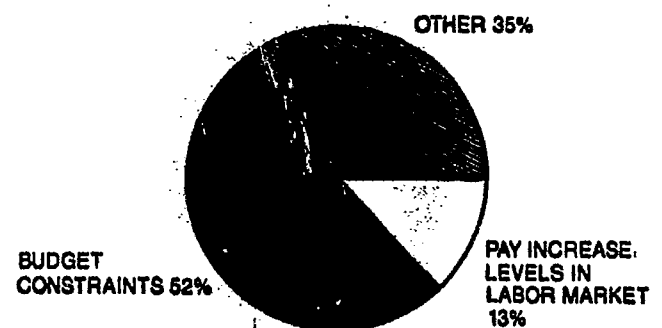
Almost 90 percent of the surveyed schools have a formal performance appraisal program. The majority use the narrative or descriptive approach. Numeric rating systems are used by one-third to one-half of the schools.

The supervisor is the primary method used to communicate information to employees regarding the compensation program. Although other methods such as employee handbooks, newsletters and policy manuals are prevalent for communicating wage and salary program objectives, methods of job evaluation, and compensation policy; the supervisor is often the only source of information regarding individual salary ranges and merit pay actions.

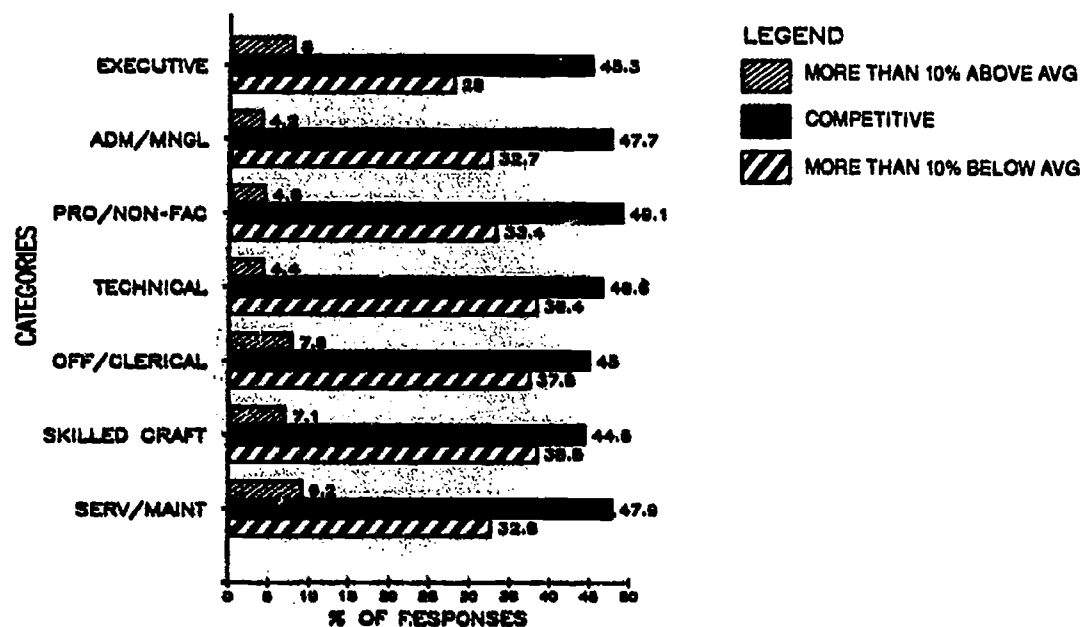
For more than one-half of the respondents, the single most serious problem in administering the wage and salary program is budget constraints. Thirteen percent report the ability to match pay levels in the labor market as the most serious problem. Other

problems such as lack of management support, salary compression, maintaining internal equity, adequate salary survey data, job evaluation, acceptance of the salary program, negotiating union wages, and the lack of formal or consistent policy, are all seen as significantly less serious, with fewer than 5 to 10 percent of the surveyed institutions reporting these problems as their most important concern.

MOST SERIOUS PROBLEM IN ADMINISTERING SALARY PROGRAM



SALARY COMPARISON TO INDUSTRY



USES OF EXTERNAL SALARY INFORMATION

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Pay Rate Relation to Market	74.6%	78.1%	78.2%	78.7%	76.1%	75.1%	73.7%
Establish Salary Structures	45.3	51.2	52.1	55.1	51.0	50.2	47.1
Determine Salary Grades	41.4	43.7	42.8	43.6	40.4	40.3	37.8
Budget Discussion Preparation	42.3	45.2	43.7	41.6	41.4	40.6	40.6
Union Negotiation Preparation	4.3	5.8	9.0	15.9	16.1	25.1	23.6
External Salary Data Not Used	13.0	10.6	11.1	10.5	12.9	12.0	13.2

SOURCES OF SALARY INFORMATION

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
CUPA Compensation Survey Report	71.8%	71.7%	57.4%	0.0%	0.0%	0.0%	0.0%
Own Survey	33.7	38.4	43.9	50.3	50.7	54.2	51.7
Other Institution(s) Survey	37.3	41.9	46.7	44.7	42.4	40.6	39.6
Local Industry Surveys	21.2	25.8	30.4	36.0	35.0	35.8	33.9
Outside Consultants	7.6	9.5	9.0	10.1	9.5	7.9	7.8
CUPA Special Study Service	8.8	9.8	7.4	0.0	0.0	0.0	0.0

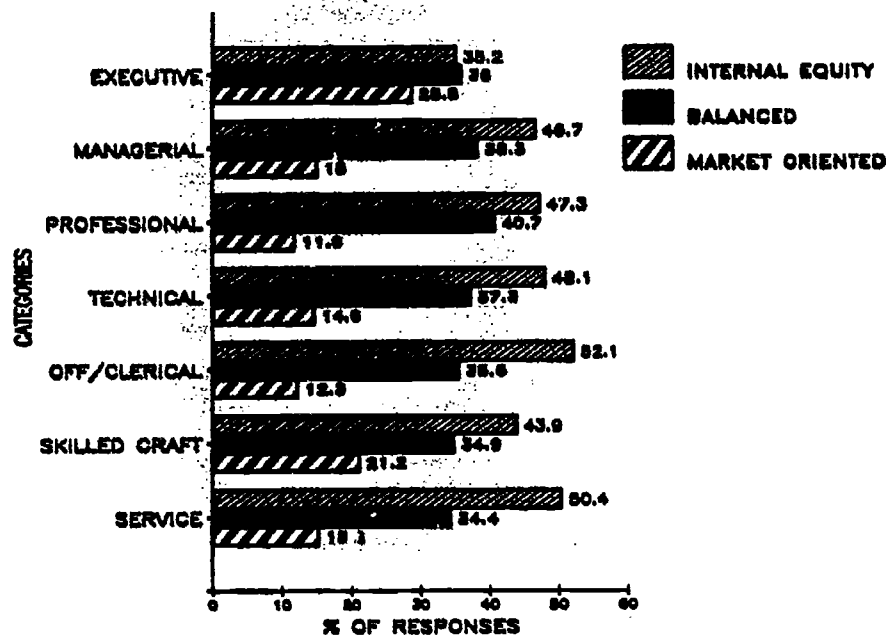
VALUE OF EXTERNAL SALARY SURVEY INFORMATION IN ADMINISTERING THE COMPENSATION PROGRAM

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Essential	20.0%	20.4%	19.8%	20.6%	18.3%	21.3%	18.1%
Very Helpful	36.4	37.6	36.1	34.0	33.3	30.7	31.5
Of Some Use	33.6	35.3	35.4	33.1	34.8	32.8	35.8
Not Used	9.9	6.7	8.7	12.3	13.6	15.2	14.6

FREQUENCY OF USE OF SURVEY DATA TO PRICE BENCHMARK POSITIONS

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
2 Years or More	13.0%	13.6%	14.7%	18.7%	19.9%	21.3%	21.1%
At Least Once A Year	48.0	51.2	50.1	46.8	45.7	43.5	43.0
Do Not Price Positions	39.0	35.2	35.2	34.5	34.4	35.2	35.9

CURRENT PRACTICE ON SALARY RATES



PRIMARY RESPONSIBILITY FOR FORMULATION OF ANNUAL SALARY INCREASE BUDGET AND FOR ADJUSTMENT OF SALARY STRUCTURE

	Percent
Institution Executives	54.2%
Human Resources Staff	31.0
Government	14.3
Consultant	0.5

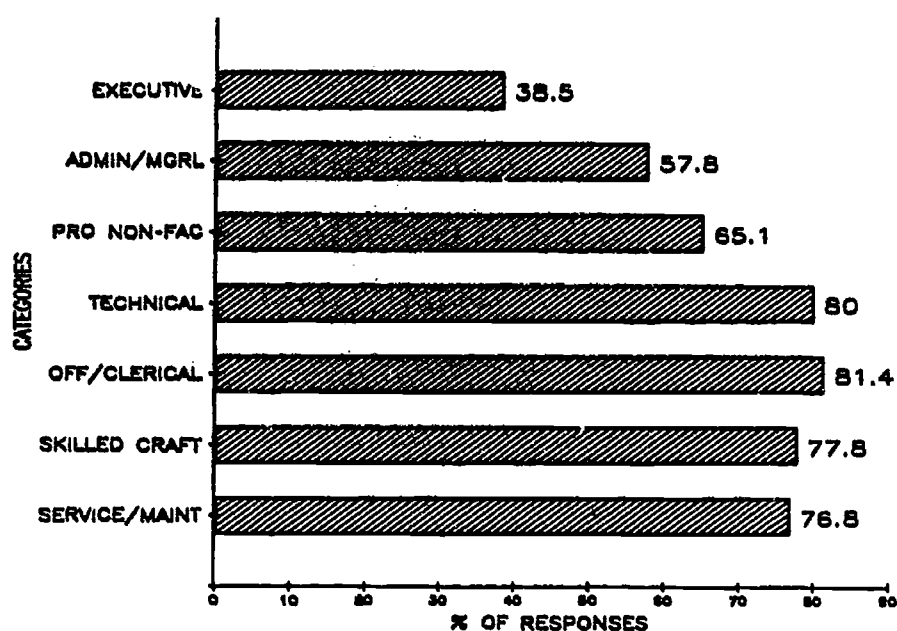
FISCAL 1987-88 SALARY INCREASE RANGES

Category	Mean	1st Quartile	Median	3rd Quartile
Executive—High	6.36%	4.00%	6.00%	8.07%
Executive—Low	3.84	2.00	4.00	5.00
Managerial—High	7.00	4.00	6.00	9.00
Managerial—Low	3.58	2.00	3.22	5.00
Non-Faculty—High	6.60	4.00	6.00	8.00
Non-Faculty—Low	3.46	2.00	3.00	5.00
Technical—High	5.97	4.00	5.00	8.00
Technical—Low	3.57	2.00	3.38	5.00
Office—High	6.22	4.00	5.50	8.00
Office—Low	3.55	2.00	3.37	5.00
Skilled Craft—High	5.61	4.00	5.00	7.00
Skilled Craft—Low	3.48	2.00	3.60	5.00
Service—High	5.65	4.00	5.00	7.00
Service—Low	4.48	2.00	4.00	7.00

SALARY RANGE WIDTHS

	Under 30%	30-45%	45-55%	55-70%	Over 70%	Estimated Average
Executive	34.7%	22.5%	21.5%	10.4%	10.9%	45.0%
Managerial	28.5	21.6	27.1	12.4	10.4	44.0
Professional	29.4	25.5	26.1	13.2	5.8	42.0
Technical	34.7	34.9	19.0	8.2	3.1	39.0
Office/Clerical	36.3	33.5	17.1	9.5	4.6	39.0
Skilled Craft	40.0	32.5	16.8	8.5	2.2	37.0
Service	42.8	30.2	14.8	7.3	4.9	37.0

SALARIES ADMINISTERED WITHIN A SALARY STRUCTURE



METHOD(S) CURRENTLY USED TO ADJUST INDIVIDUAL SALARY RATES

	Executive	Managerial	Professional	Technical	Office/ Clerical	Skilled Craft	Service
Annual General Wage Adjustment	45.5%	44.3%	44.6%	47.4%	48.7%	51.4%	52.6%
Across-Board + Merit Pay Plan	39.4	40.6	40.2	38.2	38.5	36.6	36.2
Merit Pay Plan	26.2	26.9	26.0	20.9	18.7	16.4	15.2
Length-of-Service Adjustment	7.3	8.7	12.2	22.1	21.5	23.2	22.4
Lump Sum Incentive Payment	1.8	2.0	1.7	1.0	0.9	0.9	0.7

**ANALYZED CURRENT JOB
EVALUATION PLAN(S) TO
DETERMINE IF PROTECTED CLASSES
OF EMPLOYEES ARE ADVERSELY
AFFECTED**

	Yes	Review Is In Process	Plan To Before 1990
Executive	55.9%	11.3%	30.9%
Managerial	62.3	15.5	33.0
Professional	56.7	12.8	29.6

APPROACHES TO PERFORMANCE APPRAISAL IN USE

	None	Narrative Description	Numeric Rating	Other
Executive	14.3%	48.5%	19.5%	38.5%
Managerial	9.3	66.3	33.2	34.9
Professional	6.9	58.8	35.8	27.8
Technical	5.3	51.2	42.6	19.9
Office/Clerical	7.1	59.3	54.3	23.5
Skilled Craft	6.8	41.2	40.6	15.9
Service	9.9	51.1	49.3	22.3

**PRIMARY MEDIA OR METHODS USED TO
COMMUNICATE INFORMATION TO EMPLOYEES**

	Directly By Supervisor	Employee Handbook	Newsletter/ Memos	Policy Manual	Not Communicated
Salary Program Objectives	29.2%	20.4%	28.5%	24.4%	30.2%
Methods for Job Evaluation	43.2	32.8	23.1	36.2	13.5
Compensation Practices Policy	30.7	37.3	28.0	40.9	13.8
Individual Salary Ranges	40.0	14.9	26.3	23.7	18.9
Performance Appraisal and Merit Pay	62.5	23.4	26.0	26.7	9.4

SECTION 5: JOB EVALUATION IN THE 1990'S

Among the institutions that have adopted or considered the need for a new job evaluation system, the most frequently cited reason was the need for better job content information. The next two most frequent reasons were inadequate confidence in current plan and the changing nature of jobs. Significant concern with legal liability was indicated by fewer than one in five of the respondents.

To make job evaluation systems acceptable in the future, 40 percent of the respondents ranked increased emphasis on system validity and reliability as the most important change. This is a relatively technical issue that has been mentioned by many critics of job evaluation practices. The second most important change, cited by one-third of the respondents, was increased emphasis on the communication of system objectives. The third most important change was increased employee participation in job analysis.

REASONS FOR ADOPTING OR CONSIDERING A NEW SYSTEM, IF JOB EVALUATION SYSTEM ADOPTED AFTER 1980

Better Job Content Information	42.2%
No Confidence in Current Plan	34.2
Changing Nature of Jobs	30.4
Complaints from Employees	25.5
Concern With Legal Liability	18.1
Complaints from Management	17.1
Invalid for Certain Job Types	12.8

CHANGES IN THE DESIGN AND ADMINISTRATION OF JOB EVALUATION SYSTEMS NECESSARY TO MAKE THEM ACCEPTABLE

Change	Rank 1	Rank 2	Rank 3
Increased Emphasis on Improving System Validity and Reliability	39.9%	23.3%	14.7%
Increased Emphasis on Communication of System Objectives and Administration	30.3	34.2	21.3
Increased Employee Participation in Job Analysis	13.8	14.8	20.7
Heavier Utilization of Computers to Facilitate Administration and to Minimize Possible Bias	7.3	10.9	18.0
Increased Employee Participation in Evaluation Decisions	5.6	14.7	17.7
Increased Emphasis on Right to Appeal or File Grievances	1.0	1.2	5.5
Other	2.1	0.9	2.1

CUPA

1233 20th St., N.W., Suite 503

Washington, D.C. 20036